

BEFORE THE  
FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF SECRETARY

In the Matter of )

Implementation of Section 309(j)  
of the Communications Act -  
Competitive Bidding  
Narrowband PCS )

and )

Amendment of the Commission's  
Rules to Establish New Narrowband  
Personal Communications Services )

GN Docket No. 93-253

GN Docket No. 90-314  
ET Docket No. 92-100

COMMENTS OF WOMEN OF WIRELESS<sup>SM</sup>

Women of Wireless ("WOW<sup>SM</sup>") hereby submits comments on the Federal Communications Commission's (the "Commission's") Further Notice of Proposed Rulemaking ("Notice") in the above-referenced dockets. WOW<sup>SM</sup> is a group dedicated to promoting the successful participation of women-owned businesses in the PCS auctions. WOW<sup>SM</sup> supports and endorses FCC policies that provide women-owned businesses with a viable opportunity to become licensees of new wireless services such as PCS.

In the Notice, the Commission proposes to designate the two narrowband PCS BTA 50/12.5 kHz licenses as regional licenses, believing that this modification would give designated entities an opportunity to bid on larger and more valuable licenses. WOW<sup>SM</sup> respectfully submits that such a redesignation will have the opposite effect and eliminate the opportunity for small businesses and businesses owned by women and minorities to

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participate in narrowband PCS. This exclusion of smaller entities and women-owned businesses from larger markets is based on economics and the recent level of bidding for narrowband PCS licenses.

The recent nationwide narrowband auction prices demonstrate the enthusiasm and market potential for PCS. These prices also demonstrate, however, that market size and designation determine in large part whether women-owned businesses and other designated entities will have a viable opportunity to participate in PCS. With the [average] 50/12.5 kHz nationwide license price of \$47 million for 250 million pops, in the nationwide narrowband PCS market the [average] price per pop was 19 cents. If bidding is similar on the regional narrowband PCS licenses, the Northeast Region (Market No. R-001) with 51 million pops, will be sold for \$9.7 million. Even with the discounts and installment plans these licenses are beyond the realm of most, if not all, women-owned businesses given the barriers that women face in raising capital. Upfront payments for regional licenses alone may prevent many women-owned businesses from participating in the auctions. In 19\_\_, fewer than a dozen women-founded businesses had received \$1 million or more of institutional venture capital.<sup>1</sup>

Without ready access to financing, it will be impossible for a designated entity such as a women-owned company to raise the

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<sup>1</sup> "The New American Hero," *The Wall Street Journal*, May 9, 1994.

money to pay for the license and build-out a regional narrowband PCS system. Indeed, just the build-out requirements of a regional license will place the opportunity outside the reach of most women-owned companies. Redesignating the BTAs into larger regional licenses will limit the opportunities for women-owned businesses and other designated entity entrepreneurs and discourage competition for the local markets.

Our members have approached venture capitalists, large telecommunications companies and investment bankers, seeking financing for PCS. Unfortunately, they have confronted barriers in raising capital that historically have confronted women entrepreneurs. These financing entities want designated entities to bring money to the table. With limited funding available the only viable opportunity many of our members have is to bid for a smaller BTA license. It is possible for a female entrepreneur to buy and build-out a narrowband PCS system on a BTA basis with family funds and financing. Members of WOW<sup>SM</sup> have investigated providing vertical services to niche markets such as in the security and health fields and believe that BTAs can be very viable businesses. In addition, at the BTA level women-owned businesses and other designated entities can bring a local expertise to their network operations such as understanding of community needs, an ability to assess local strategies and an understanding of local sales and marketing.

The proposal to merge BTA licenses into larger markets may be based on the belief that the smallest of companies should not

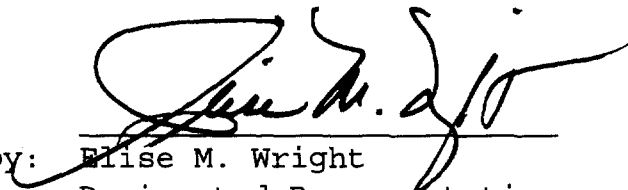
attempt to buy a license but should focus on providing adjunct services to larger licensees. Unfortunately, the same discrimination that has prevented designated entities from reaching positions of power in many U.S. businesses also exists when contracting services. Owning a license gives a women-owned business the power to make decisions about how PCS services can best be implemented, especially in local markets.

To maximize competition at all levels, the Commission should reject any proposal to redesignate BTAs into larger markets.

WHEREFORE, WOW<sup>SM</sup> requests that the Commission retain the BTA designations for narrowband PCS to preserve the opportunity for participation in this new service by businesses of all sizes.

Respectfully submitted,

Women of Wireless<sup>SM</sup>

  
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